Company Number: 06564638

Scancell Holdings plc

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended 30 April 2019

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Dr J Chiplin
Dr C Holloway
Professor L Durrant
Dr S E Adams
Dr R M Goodfellow
Dr M G W Frohn
Dr A Lewis
Mr M Diggle

REGISTERED OFFICE

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REGISTERED NUMBER

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Scancell Holdings plc
CHAIRMAN'S STATEMENT
for the year ended 30 April 2019

I am pleased to report the Company's final results for the year ended 30 April 2019. At the beginning of this financial year the Company raised £1.1m (net of costs) through an Open Offer to shareholders following an earlier fund raise of £6.9m (net of costs) and I'd like to thank our shareholders for their continued support. Since the year end the Company has raised a further £3.9m from Vulpes Life Science Fund through a subscription for new shares. This new investment capital increases funds available to advance our product pipeline and, in particular the transition of our lead Moditope® platform asset Modi-1 into the clinic. Progress has been made in all areas and we are particularly pleased that the SCIB1-002 clinical trial which will assess the efficacy and safety of SCIB1 and pembrolizumab in patients with advanced melanoma is now underway.

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches.

SCIB1 melanoma vaccine and Phase 2 clinical trial

As mentioned in last year's Annual Report, in July 2018, Scancell exercised its option to a worldwide commercial licence for the use of Ichor's proprietary TriGrid® 2.0 electroporation delivery system with SCIB1. This licence enables Scancell to use the TriGrid® 2.0, the proposed commercial version of this device, in the Phase 2 clinical study of Scancell's lead ImmunoBody®, SCIB1, in patients with advanced melanoma who are also receiving the checkpoint inhibitor pembrolizumab (Keytruda®). Although pembrolizumab is an approved therapy for advanced melanoma, response to treatment is limited to only a subset of patients (circa 30%). The Phase 2 study is therefore designed to assess whether the addition of SCIB1 treatment will result in an improvement in the tumour response rate, progression-free survival and overall survival in 25 patients with advanced melanoma who are also eligible for treatment with pembrolizumab.

As reported at the half year, following the submission of an Investigational New Drug (IND) application for the clinical study to the US Food and Drug Administration (FDA), the FDA had responded requesting additional information, with respect to Ichor's new TriGrid® 2.0 electroporation delivery system and its use in combination with SCIB1. Scancell has previously used Ichor's TriGrid® 1.0 delivery system in the SCIB1 Phase 1/2 clinical study in patients with Stage III/IV malignant melanoma. In this study SCIB1 was shown to have a favourable safety profile with no dose-limiting toxicities and no serious adverse events related to study drug or the delivery device, in addition to inducing strong immune responses and enhancing survival.

In order to initiate patient recruitment in the UK under the Investigational New Drug (IND) application submitted to the Agency, prior approval of the IND is required. Whilst there has been extensive dialogue between Ichor and the Agency, a timely resolution to the device-specific questions has yet to be agreed. Therefore, as reported on 19 August 2019, having considered the ethical issues related to patients awaiting enrolment into the UK sites, Scancell decided to withdraw its IND application in the US to allow the UK arm of the trial to proceed with immediate effect. Patient recruitment has now commenced. Scancell will resubmit the IND at a later date with the intent to initiate clinical sites in the US, following further clarification from the Agency regarding Ichor's TriGrid® 2.0 delivery device.

SCIB2 vaccine

SCIB2, Scancell's second ImmunoBody® therapy, targets an antigen called NY-ESO-1, which is expressed on a range of solid tumours, including non-small cell lung cancer (NSCLC), oesophageal, ovarian, bladder and prostate cancers, as well as neuroblastoma, melanoma and sarcoma.

In May 2019 Scancell and Cancer Research UK provided an update on their clinical development partnership for the development of Scancell's ImmunoBody® vaccine, SCIB2, as a potential treatment for patients with solid tumours, including non-small cell lung cancer (NSCLC).

Pre-clinical studies have demonstrated that administration of the SCIB2 DNA plasmid as a liposomal nanoparticle results in potent immune responses and prolonged survival. The nanoparticle technology utilises known lipid carriers that are optimised to deliver SCIB2 DNA to immune cells. The liposomal nanoparticles protect the DNA from degradation and facilitate efficient uptake, expression and T-cell activation against cancer cells. The nanoparticle delivery system provides an alternative approach to electroporation, which has been used to deliver the SCIB1 ImmunoBody® agent to patients. This new nanoparticle approach to deliver SCIB2 is expected to achieve results that are as effective as, or even better than, electroporation.

Cancer Research UK are now planning a clinical trial to investigate the safety and efficacy of the SCIB2-nanoparticle complex in patients with solid tumours.

Moditope® platform

Scancell's Moditope® is an immunotherapy platform targeting tumour associated stress-induced post-translational modifications (siPTMs) to stimulate the production of unprecedented killer T-helper cell (CD4 T-cells) responses that induce anti-tumour activity without toxicity. Moditope® vaccines comprise citrullinated or homocitrulliated tumour-associated peptide epitopes which stimulate the production of cytotoxic CD4 T-cells which identify, target and destroy the tumour cells. Pre-clinical studies have shown that conjugation of the Modi-1 peptides to Amplivant® enhances anti-tumour immune responses 10-100 fold and resulted in highly efficient tumour eradication, including protection against tumour recurrence.

Modi-1

Modi-1 consists of two citrullinated vimentin peptides and one citrullinated enolase peptide. Vimentin and enolase peptides are highly expressed in triple negative breast cancer (TNBC), ovarian cancer, head and neck cancer, as well as many other cancers.

A defined manufacturing process is a key component for CMC (Chemistry, Manufacturing and Control) regulatory submissions required to support the filing of a clinical trial application (CTA) in the UK. Good Manufacturing Practice (GMP) synthesis of the bulk Modi-1 peptide conjugates is underway at the PolyPeptide Group's facilities in The Netherlands. An agreement was signed with AMRI (Glasgow, UK), a global contract and manufacturing organisation, at the end of April 2019, to formulate, manufacture and package the Modi-1 GMP final product for clinical testing. The preclinical toxicity testing programme required prior to the start of the clinical trial is underway to support the planned Phase 1/2 clinical study is anticipated to commence in H1 2020.

Modi-2

Whilst Modi-1 acts by stimulating the production of CD4 T cells using citrullinated tumour-associated peptide epitopes, Modi-2 exploits a new modification, stimulating the production of cytotoxic CD4 T cells using homocitrullinated tumour-associated peptide epitopes. Whereas citrullination involves the conversion of the amino acid arginine to citrulline, the process of homocitrullination involves the conversion of lysine to homocitrulline. Scancell believes this second mechanism of action has the potential to broaden the utilisation of the Moditope® platform.

Modi-2 is currently in pre-clinical development and work is underway to characterise specific homocitrullinated peptides for clinical development that have the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment.

The data generated to date clearly demonstrates the potential of homocitrullinated, as well as citrullinated, tumour-associated peptide epitopes to be developed for the treatment of solid cancers.

Collaborations

Scancell was pleased to extend its strategic research collaboration with the Rheumatology Unit at the Karolinska Institute, Sweden. The expanded agreement will explore the potential of the Moditope® platform to develop multiple immunotherapeutic agents for a range of different cancers. Scancell's research has shown that citrullinated proteins are involved in the control of tumour growth and we believe that this expanded collaboration will help us to further develop Moditope®, not only for use in cancer vaccines, but also other cancer immunotherapy approaches including T-cell receptor (TCR) based therapeutics which is also the subject of Scancell's research collaboration with BioNTech announced in January 2018.

Patents

The European Patent Office granted a European Patent for the Company's Moditope® Immunotherapy platform with effect from 13 June 2018. This patent provides broad protection for the Company's pipeline of Moditope® vaccines, including any citrullinated epitopes for the treatment of cancer, in all major European territories. This is a key patent for Scancell and endorses our work in identifying a new class of cancer vaccine capable of inducing potent immune responses to (siPTMs), in this case, through citrullination of cellular proteins.

A US patent was granted on 19 March 2019 and claims methods of stimulating an immune response to a tumour and methods of treating cancer using peptides included in the Modi-1 product. Additional claims that aim to protect other aspects of the Moditope® platform are being pursued in the US.

In April 2019, the Japanese Patent Office granted a patent that provides further protection for Scancell's Moditope® immunotherapy platform. This patent covers using any citrullinated tumour-associated T cell epitope to treat patients with cancer.

The grant of these patents is in addition to the grant of patents in South Africa and Australia, and acceptance for grant in China. Counterparts to these patents continue to be prosecuted in other territories of importance to Scancell in order to further expand Scancell's IP portfolio.

Clinical Advisory Board

In May 2019 the Group created a Clinical Advisory Board ('CAB') as part of a wider strategy to fully develop and deliver the full potential of the Moditope platform across multiple tumour types. The CAB is chaired by Professor Robert Coleman, Emeritus Professor of Medical Oncology at Weston Park Hospital and the University of Sheffield and together with Professor Coleman includes a further five world-leading clinicians. The initial focus of the CAB is to inform the clinical strategy for the planned Modi-1 clinical trial and to ensure the best possible outcome in several solid tumour indications, including ovarian cancer, head and neck cancer, and triple negative breast cancer.

Monoclonal antibodies

Monoclonal antibody therapeutics have proven to be effective in the treatment of many cancer indications and identification of new products against novel targets are highly sought after in the field. In April 2018, Scancell

acquired, from the University of Nottingham, a number of novel monoclonal antibodies against tumour-associated glycans with the aim to further develop and identify lead therapeutic candidates.

Glycans are sugar molecules that are present on cell surface glycoproteins and glycolipids. The pattern of these glycans differ between tumour cells and healthy cells. Glycans are involved in regulation of many physiological processes and inhibition of these leads to rapid cell death. Antibodies that target such tumour glycan signatures therefore provide an attractive strategy for immunotherapy. The novel monoclonal antibody platform acquired by Scancell not only enables high avidity monoclonal antibodies recognising glycans to be developed but also provides a method to enhance their anti-tumour efficacy. This technology offers a new opportunity for collaboration and commercial transactions with antibody engineering companies looking for differentiated therapeutic targets.

Corporate

During the financial year Scancell announced the appointment of Dr Samantha Paston as Head of Research and Dr Adrian Parry as Head of Manufacturing. Dr Paston started in her role in mid-January 2019 and Dr Parry joined the Company in early February 2019. These two appointments are significant for Scancell as we expand our R&D and manufacturing capabilities in order to further advance our ImmunoBody® and Moditope® pipeline products through clinical development.

Staff

The Board recognises that the progress made over the year would not have been possible without the dedication and support of all our staff and, on behalf of the directors, I offer our thanks to them.

Financial

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2019 of £6.73 million (2018: loss of £4.94 million).

There has been a significant increase in development expenditure to £4.15 million (2018: £2.86 million) and the main reasons for this are: the manufacture of a new GMP batch of SCIB1; the commencement of GMP manufacture of Modi-1; regulatory and set up costs arising as the Company prepares for the upcoming clinical trials with SCIB1 and Modi-1; together with the impact of a full year's cost of R&D staff who were recruited at the end of the 2017/18 year.

The increase in administrative expenditure is due to a significant increase in patent costs and licence fees. The increases in patent costs reflects the Company's continued protection and extension of its intellectual property portfolio.

The Loss before taxation amounted to £6.73million (2018: £4.94million). The R&D tax credit increased to £1.09 million (2018: £0.74m) as a result of the increased development expenditure in the year.

Overall the loss for the year was £5.63 million (2018: loss £4.19 million).

Statement of Financial Position

At 30 April 2019 the net assets of the Group amounted to £9.34 million (2018: £13.94 million) including cash at bank of £4.56 million (2018: £10.30 million).

The tax receivable due at the end of the year amounted to £1.83 million (2018: £0.74 million) and relates to the R&D tax credit for the 2018/19 and 2017/18 financial years. The amount outstanding in respect of the prior year was received in May 2019, shortly after the year end.

The increase in Trade and other receivables to £678k (2018: £97k) arises as a result of an increase in pre-paid expenditure relating to the manufacture of Modi-1 which will be expensed during the 2019/20 financial year together with increased VAT recoverable as a result of increased expenditure on manufacturing during the last month of the financial year.

The Trade and other payables haves also increased to £1.21m (2018: £0.70 million) as a result of the increase in manufacturing and development expenditure in the last month of the year. All balances owing to suppliers at the end of the year were paid in accordance with their terms and conditions.

Consolidated Cash Flow Statement

As can be seen in the Consolidated Cash Flow Statement, the main reason for the decrease in cash over the previous year as that cash used in operations of £7.03 million (2018: £4.81 million) was offset by net proceeds from the issue of shares amounting to £1.28 million (2018: £11.70 million). In addition, the tax credit of £744k in respect of the prior year was not received until May 2019, after the year end.

Outlook

It has been a busy and productive year for Scancell. In addition to expanding our research and development team and establishing a Clinical Advisory Board of world class clinical oncologists, we further advanced our ImmunoBody®, Moditope® and anti-glycan antibody pipeline and expanded our intellectual property portfolio.

Notwithstanding the US regulatory delays in initiating the SCIB1-002 clinical trial, which have been very frustrating, the Company is now making good progress having initiated the Phase 2 clinical study for our lead ImmunoBody®, SCIB1, in the UK.

GMP manufacture of our lead Moditope® vaccine, Modi-1, is progressing well and this is a key milestone towards clinical trials which are anticipated to commence in H1 2020. The design of this study is currently under review following input from our Clinical Advisory Board and will aim to identify clinical signals in several cancer indications in parallel and determine the broad clinical utility of this novel cancer vaccine.

Our monoclonal antibodies and associated technologies are now firmly established as a third platform in the Scancell portfolio and have attracted interest from a number of high profile antibody engineering companies.

We were pleased to welcome Vulpes as a shareholder in June and their investment not only strengthens our cash position, but also provides a sound endorsement of Scancell's future potential.

John Chiplin
Chairman

Principles of corporate governance

The Board recognise the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to delivering and protecting enhanced shareholder value. New regulations were introduced by AIM from 28 September 2018 and the Board has been following the corporate governance principles set out in the Corporate Governance Code published by the Quoted Companies Alliance (QCA). It is my primary responsibility, as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

Board Composition

During the year ended 30 April 2019, Dr John Chiplin stepped down from the role of Executive Chairman to become Non-Executive Chairman and Ms Kate Cornish Bowden stepped down as a Non-Executive Director on 31 August 2018. Whilst Dr Matthew Frohn has been a member of the Board for more than nine years the Board considers that he remains independent and fully committed to the Company. The Senior Independent Director is Dr Alan Lewis; Mr Martin Diggle joined the Board as a Non-Executive director on 18 June 2019.

The Board now comprises a Chairman, three Executive Directors and four Non-Executive Directors.

The Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. During the year ended 30 April 2019 there were eight scheduled board meetings with each member attending as follows:

Director	Number of meetings held whilst a board member	Number of meetings attended
Dr John Chiplin	8	8
Dr Cliff Holloway	8	8
Prof Lindy Durrant	8	8
Dr Sally Adams	8	8
Dr Richard Goodfellow	8	8
Ms Kate Cornish-Bowden	2	2
Dr Matthew Frohn	8	7
Dr Alan Lewis	8	8

The current members of the Board of directors are:

Dr John Chiplin (Chairman)
Dr John Chiplin has many years' international experience in listed life science companies where he has fulfilled the roles of Chief Executive Officer and Chairman. He is Managing Director of Newstar Ventures Ltd, an investment and advisory firm and contributes strong corporate finance skills to the Group. John is also Chairman of N4 Pharma PLC, an AIM listed company and serves on the board of the following Australian listed companies: Adalta Limited and Regeneus Limited.

Dr Cliff Holloway (Chief Executive Officer)
Dr Cliff Holloway brings over 25 years of life science industry experience to Scancell in the development and commercialisation of emerging technologies and therapeutic products including licensing, M&A, corporate financing and operations management. Prior to joining Scancell, Cliff was Chief Business and Operating Officer for Benitec Biopharma, an Australian NASAQ listed company.

Professor Lindy Durrant (Chief Scientific Officer)
Professor Lindy Durrant is an internationally recognised immunologist in the field of tumour therapy. She has worked for over 20 years in translational research, developing products for clinical trials including monoclonal

antibodies and cancer vaccines. She has a personal Chair in Cancer Immunotherapy in the Department of Clinical Oncology at the University of Nottingham.

Dr Sally Adams (Development Director)
Dr Sally Adams has worked on many complex projects over the past 25 years including anti-infective vaccines and cancer immunotherapies. She has previously held Development Director positions in life science companies and, prior to her appointment as Development Director at Scancell, she worked as a development consultant to Scancell providing guidance on the development of SCIB1.

Dr Richard Goodfellow (Non-Executive Director)
Dr Richard Goodfellow was CEO of Scancell until 31 December 2017. He has many years' experience with Scancell and in life sciences generally which he brings to the Board. As well as contributing to the Board, Richard provides business development advice and consulting services to Scancell.

Dr Matthew Frohn (Non-Executive Director – Chairman of the Audit Committee)
Dr Matthew Frohn started his career as a clinical and research scientist and has a DPhil in Biochemistry from Oxford University. He moved into Venture Capital in 1999 and is a partner in Longwall Venture Partners, an early-stage technology investment company. Matthew has been a board member for over nine years and the combination of his scientific and corporate finance skills are extremely useful to the Board. Matthew's other directorships include the following private companies: Caristo Diagnostics Limited, Organox Limited, Oxford Cancer Biomarkers Limited and Oxsonics Limited.

Dr Alan Lewis (Non Executive Director and Chairman of the Remuneration Committee)
Dr Alan Lewis is the Senior Independent Director and has a proven track record in the US life sciences industry. He is currently President and CEO of DiaVacs, a San Diego based clinical stage biotechnology company and is also on the Board of Directors of NASDAQ listed companies Biomarin and Assembly Biosciences. He also currently serves as Chairman of the boards of Batu Biologics Inc. and Neurometrix Rx (US), both U.S. private biotechnology companies, and is a director of two other private biotechnology companies based in the USA : Cellastra Inc. and Targazyme, Inc. Alan's extensive industry experience is of great value to the Board.

Martin Diggle (Non-Executive Director)
Mr Martin Diggle has been appointed to the Board since the year end and is a founder, director and partner in Vulpes Investment Management and manages the Vulpes Life Sciences Fund - Scancell's largest shareholder. He has over 30 years' experience in investment banking and fund management and has been an investor in life sciences and biotech for nearly 20 years. His extensive experience of investment management in the life science sector will add a new and valuable insight to the Board of Directors. Martin's other directorships are Oxford Biomedica plc, Proteome Sciences plc and Chronos Therapeutics Limited.

The Executive Directors meet on a weekly basis either face to face or by phone to discuss operational matters. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the Executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Scancell Board has the broad range of skills and capabilities required to direct the Group. These include sector-specific experience in the Business Development and Research and Development functions, as well as more general finance, accounting and business management skills. The Board is supported by the following committees:

Remuneration Committee
During the financial year ended 30 April 2019, the Remuneration Committee members were Ms Kate Cornish-

Bowden (until 31 August 2018), Dr Matthew Frohn and Dr Alan Lewis. The committee was chaired by Ms Kate Cornish-Bowden until 25th May 2018 and by Dr Alan Lewis thereafter.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Nominations Committee
The members of the Nominations Committee are Dr John Chiplin (Chairman), Dr Matthew Frohn and Dr Alan Lewis.

The Nominations Committee meets as necessary and its responsibilities include the review of the structure, size and composition of the Board, together with skills, knowledge, experience and diversity, succession planning, review of leadership needs and identification, evaluation and nomination of candidates to fill Board vacancies.

Board Evaluation
Following the adoption of the QCA Code the Board has adopted a new process for assessing the effectiveness of individual members of the Board and the separate Committees of the Board. This process will be overseen by the Senior Independent Director, Dr Alan Lewis and will take the form of an anonymous questionnaire which will ask directors to assess the effectiveness of the Board as a whole and individual members of the Board together with identifying any training needs. This evaluation will take place before the end of the calendar year.

Audit Committee
During the year, the Audit Committee comprised of three Non-Executive Directors, Dr Matthew Frohn (Chairman of the Committee), Ms Kate Cornish-Bowden and Dr Alan Lewis. Following Ms Cornish-Bowden stepping down as a Non-Executive Director on 31 August 2018, Dr John Chiplin joined the Audit Committee. The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

The Committee will normally meet at least twice per year and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee meets with the auditor at least once a year. The Audit Committee has undertaken an assessment of the auditor's independence, including:

- A review of non-audit services provided to the Group and related fees;
- Discussion with the auditor of a written report detailing all relationships with the Group and any other parties that could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including regular rotation of the audit partner; and
- Obtaining written confirmation from the auditor that, in their professional judgement, they are independent.

During the year the Audit Committee held three further meetings to meet with and consider proposals from firms of auditors during a tendering process. Following the conclusion of a formal tendering process, the Audit Committee recommended that Scancell appoint BDO LLP ("BDO") as the Company's independent auditor for the financial year ending 30 April 2019. The appointment of BDO for the financial year ending 30 April 2020 will be subject to approval by the Company's shareholders at the next Annual General Meeting to be held in 2019.

Champion Accountants LLP ("Champion"), who did not participate in the tender, had confirmed that there are no circumstances connected with its resignation which it considers should be brought to the attention of members or creditors of the Company.

The Audit Committee is satisfied that the external auditor is independent in the discharge of their audit responsibilities.

Internal Control

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded, transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected on a timely basis.

There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Group's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the organisation structure and authority levels and the identification of the major business risks.

The key element of the internal control systems in operation is the Board meeting regularly with a formal agenda to monitor all aspects of the business including monitoring the Group's financial performance against approved budgets and forecasts.

There are no significant issues disclosed in the report and financial statements for the year ended 30 April 2019 and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues.

Investor Relations

The Group's Board maintains ongoing communication with existing and potential investors. This is achieved by:

- talking to institutional and private investors through direct meetings;
- individual shareholders talking to Board members at the Annual General Meeting;
- financial PR consultants;
- the release of information through the Group's website;
- the Regulatory News Service of the London Stock Exchange.

GOING CONCERN

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

Detailed cashflow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, the post year end bank receipts and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1 and the commencement of clinical trials, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements. Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

Remuneration Committee

During the financial year ended 30 April 2019, the Remuneration Committee members are Dr Matthew Frohn and Dr Alan Lewis. The committee is chaired by Dr Alan Lewis.
The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Remuneration Policy

The key principles underlying all decisions by the Remuneration Committee include the following:

- The need to attract, retain and motivate outstanding executives who have the potential to support the growth of the Scancell and help the Company achieve its strategic objectives.
- The need to ensure that long term incentive plans ('LTIP') are aligned with the interests of shareholders.
- The need to take into account the competitive landscape in the UK biotechnology industry and current best practice in setting appropriate levels of compensation.

The Committee met on three occasions during the financial year. Subjects under discussion included a review of whether remuneration paid met the Company's objectives to reward and incentivise the Executive team. In addition to consulting our key shareholders, the remuneration committee consulted external consultants and considered pay structures in equivalent listed companies in the UK biotech industry.

Directors' Remuneration

The table below summarises all Directors' salaries, fees for consulting and pension contributions. No bonuses were paid in respect of the year ended 30 April 2019

	2018/19		2017/18	
	Salary, and fees	Pension	Salary, bonus and fees	Pension
Dr J Chiplin [1]	50,000	-	225,006	-
Dr R M Goodfellow[2]	145,833	-	320,834	-
Dr C Holloway[3]	250,000	-	75,181	-
Professor L G Durrant	175,000	-	175,000	-
Dr S E Adams	193,125	3,862	191,251	321
Dr M G W Frohn	25,000	-	25,000	-
Ms K Cornish-Bowden	6,667	-	30,500	-
Dr A Lewis	25,833	-	20,000	-
	871,458	**3,862**	**1,062,772**	**321**

Notes:

1 Dr J Chiplin role changed from Executive Chairman to Non-executive Chairman on 1st May 2018
2 Dr RM Goodfellow resigned as CEO on 31 December 2017 but continued as a Director of the Company and also provided consultancy services which are included in the above figures.
3 Dr C Holloway was appointed as CEO from 10 January 2018.

Directors' share options

The Remuneration Committee believes that the issue of options is a useful tool in motivating executives and ensuring their interests are aligned with those of our shareholders. All options are subject to time vesting schedules to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering and share price targets.

At 30 April 2019 the following Directors held options over the shares of the Company.

	Grant Price	*At 30/04/2019*	*At 30/04/2018*	*Issue Date*	*Date of expiry*
Dr J Chiplin	17.0p	3,000,000	3,000,000	18/04/2016	18/04/2026
Dr R M Goodfellow	4.5p	2,880,000	2,880,000	14/07/2010	14/07/2020
	33.2p	3,500,000	3,500,000	11/12/2013	31/12/2023
Dr C Holloway	10.5p	3,000,000	3,000,000	31/01/2018	31/01/2028
Prof L G Durrant	4.5p	3,850,000	3,850,000	14/07/2010	14/07/2020
	10.5p	9,000,000	9,000,000	31/01/2018	31/01/2028
Dr S E Adams	10.5p	2,500,000	2,500,000	31/01/2018	30/01/2028

No further share options were granted to directors after 30 April 2019.

BUSINESS MODEL

The business model for the Group in the year under review was that of the discovery and development of novel vaccines for the treatment of cancer.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review of the business and likely future developments is included in the Chairman's statement on page 2.

The results of the Group for the year are set out in the Consolidated Profit or Loss and other Comprehensive Income statement on page 22.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Given the nature of the business there is a technical risk that the underlying scientific assumptions and hypotheses that underpin both the Immunobody® and Moditope® platforms are unable to be further validated in human clinical trials. In order to mitigate this risk the Group employs external consultants and advisers to review these underlying assumptions and the results from clinical trials. The Board considers these assessments and internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

There is also a funding risk, whereby the Group may not have sufficient funds to complete the clinical trials. The Board reviews the time-lines for completing projects in conjunction with cashflow projections to ensure that the Group will have the necessary cash resources available by timing subsequent fundraising accordingly.

Key performance indicators (KPIs):

Due to the nature of the business the board considers both non-financial and financial KPIs.

These relate to reviewing, on a regular basis, the scientific and technical progress of the research and development programmes and protection of the intellectual property arising from them together with monitoring the progress being made with the Group's upcoming clinical trials which are discussed in the Chairman's statement on page 2.

The most important financial KPIs are reviewing the research, development and clinical trial expenditure against budget and its subsequent impact upon the Group's cash runway. Financial KPIs are explained on page 5.

By approval of the Board on 19 August 2019

John Chiplin
Chairman

The Directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2019. Scancell Holdings plc is registered in England and Wales and is quoted on the AIM market.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 April 2019 are shown in the consolidated profit or loss and other comprehensive income statement on page 22. No dividends will be distributed for the year.

FUTURE DEVELOPMENT AND RESEARCH AND DEVELOPMENTS

A detailed review is included in the Chairman's statement on page 2.

DIRECTORS AND THEIR INTERESTS

The members of the Board, who have served during the financial year are detailed below. Their interests in the shares of the Group at 30 April 2019 and 2018 are set out below

	30 April 2019		30 April 2018	
	Owned	Jointly owned[1]	Owned	Jointly owned[1]
Dr J Chiplin	2,000,000	Nil	2,000,000	Nil
Prof L G Durrant	1,665,783	8,773,960	1,665,783	8,773,960
Dr M G W Frohn	58,823	Nil	58,823	Nil
Dr R M Goodfellow	258,823	6,343,840	258,823	6,343,840
Ms Kate Cornish-Bowden (resigned 31 August 2018)	103,823	-	103,823	-
Dr S E Adams	61,918	Nil	58,823	Nil
Dr A Lewis	Nil	Nil	Nil	Nil
Dr C Holloway	Nil	Nil	Nil	Nil

[1] These shares are jointly owned with the Trustees of the Scancell Employee Benefit Trust which was established in July 2007.

Following the year-end, Mr Martin Diggle was appointed a Director on 18 June 2019.

In addition, the Directors have been granted share options in Scancell Holdings plc as outlined in the Directors' Remuneration report. Further details of all options outstanding, including those issued to employees, and fair value calculations can be found in note 16 to the Accounts.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the Company (excluding Directors) at 16 August 2019 are:

	Ordinary shares at 0.1p each	
	Number	Percentage
Vulpes Life Science Fund	77,559,311	16.67%
Calculus Capital	49,844,165	10.71%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence, each carrying one voting right and all ranking equally with each other. At 30 April 2019 387,796,556 shares

were allotted and fully paid. On 13 June 2019 the Company raised £3,877,965 by a subscription for ordinary shares from Vulpes Life Sciences Fund at a price of 5p per share. The total issued share capital at 16 August 2019 is 465,355,867 ordinary shares.

Details of employee share option schemes are set out in Note 16 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank *pari passu* in all respects with shares already in issue.

DIRECTORS' INDEMNITY

The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility

of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

SUBSEQUENT EVENTS

On 13 June 2019 Vulpes Life Sciences Fund subscribed for 77,559,311 ordinary shares at 5p each which raised £3,877,966. This new investment capital increases funds available to advance The Company's product pipeline and, in particular, the transition of our lead Moditope® platform asset Modi-1 into the clinic.

GOING CONCERN

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

Detailed cashflow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, the post year end bank receipts and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1 and the commencement of clinical trials, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements. Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

AUDITORS

During the year, Champion Accountants LLP resigned as auditors of the company and confirmed that there were no circumstances connected with their resignation which they consider should be brought to the attention of members or creditors of the Company.

The Board appointed BDO LLP ("BDO") as the Company's independent auditor for the financial year ending 30 April 2019. The appointment of BDO for the financial year ending 30 April 2020 will be subject to approval by the Company's shareholders at the Annual General Meeting

By approval of the Board on 19 August 2019

John Chiplin
Chairman

Opinion

We have audited the financial statements of Scancell Holdings plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2019 which comprise the consolidated profit or loss and other comprehensive income statement, the consolidated and company statements of financial position, the consolidated and company cash flow statement, the consolidated and company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and the Parent financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter impacting the parent company financial statements only

Intercompany receivable: impairment review

As at 30 April 2019, the company held a £26.9m intercompany receivable from Scancell Limited, as set out in note B of the parent company financial statement disclosure.

Intercompany receivable

Under IFRS9, management have assessed the recoverable amount of the intercompany receivable by estimating future cash flows of estimated future net revenues relating to current drug and vaccine product technologies. These revenues were then discounted to present value. Under IFRS9 a lifetime expected credit loss model is required to assess the likelihood of at least 3 different potential financial scenarios that the group may face. The scenarios calculated by management included a best case scenario, a worst case scenario and two blended outcome scenarios. Management assessed that under all scenarios the intercompany balance is deemed recoverable. It is recognised that there is inherent uncertainty in estimating the timing and extent of future cash flows of a drug development company, however each scenario's cash flow calculation was risk adjusted appropriately. This is disclosed within the key sources of estimation and uncertainty disclosure in note 1 of the accounting policies.

How We Addressed the Key Audit Matter in the Audit

Intercompany receivable

We challenged the impairment review of the intercompany receivable, disclosed in note 1 of the accounting policies and note B of the company only disclosures, through assessing the appropriateness of the key assumptions including:

- The scale of the market opportunities, i.e. market penetration – with reference to third party sources such as medical journals and publicly available information in respect of the structure and quantum of transactions involving similar assets; and
- The risk weighting of estimated future cash flows - verifying through third party sources, that these weighting of likelihood of success are in line with third party industry sources.
- The revenue assumptions – with reference to third party sources to confirm the inputs into the revenue calculation, including revenue projections and royalties using publicly available data.
- The cost assumptions – discussing and challenging assumptions through analysis and review of costs incurred to date compared to expected future costs.
- We challenged management on their assumptions that there is a remote probability of failure to settle the intercompany balance, by checking alternative drug development opportunities.

The IFRS9 lifetime expected credit loss model (ECL) assumptions were reviewed by the audit team by reference to the above impairment review work performed. The mechanics and overall ECL model was reviewed by BDO's professional valuations team.

We have also performed sensitivity analysis to test whether a reasonably possible change could result in an impairment under both ECL model as referenced above.

We have considered the adequacy of the IFRS9 disclosures in the financial statements relating to the Board's assessment.

Based on our procedures we noted no exceptions and found management's key assumptions to be within a reasonable range. We reviewed the IFRS 9 disclosure as per note 1 of the financial statements and concluded that the disclosures are appropriate.

Key audit matter impacting the group and subsidiary company financial statements only

Research and development: agreement accounting

Collaboration, licensing and other partnering agreements can have accounting complexity in terms of the nature of services, licenses or other arrangements provided, and the related consideration paid. The Group is not yet revenue generating, however has entered into numerous agreements in the current and prior years which give rise to various financial obligations, which include both potential IFRS 15 implications and the potential for undisclosed liabilities.

A significant portion of research and development expenditure arises through the Subsidiary Company outsourcing research to third parties. At the year end management are required to calculate the associated accruals and prepayments based on the progress of the research contracts versus the amounts billed to date. Those accruals and prepayments are disclosed in notes 10 and 11 to the financial statements.

Due to the nature of clinical trials, drug manufacturing processes and general research it is often difficult to estimate the length of time a particular trial or research process is going to take.

As a result it can be difficult for Scancell Holdings plc to measure what costs have been incurred in relation to outsourced research manufacturing at a particular point in time and as such, based on billings received, whether project accruals and prepayments recorded are reasonably estimated. Our audit risk is focused on whether the relevant expenditure has been appropriately included in the income statement and whether prepayments and accruals are appropriately calculated and recognised. The initial risk also considered whether any contracts existed which would give rise to current IFRS 15 revenue disclosures. As such, agreement accounting as a whole is considered a key audit matter as it impacts multiple disclosure and balances within the financial statements.

How We Addressed the Key Audit Matter in the Audit

We have reviewed the key terms of all ongoing third party research agreements and confirmed that related costs have been appropriately recorded in the financial statements and that there are no IFRS 15 revenue implications. We have assessed these contracts for the relevant financial accounting and reporting implications for costs, including assessing the disclosure of future contracted commitments.

For a selected sample of project costs relating to research and development expenditure we obtained the underlying contracts and verified the basis of which management had recognised costs, assessing the assumptions used and recalculating those costs when required. We obtained managements calculation of the accrual or prepayment and verified the mathematical formulae.

We verified the completeness of management's calculation of the accruals and prepayments position by testing a sample of invoices received pre year-end to ensure that these have been included in management's prepayment calculations. We also performed detailed post year end invoice and payment testing to ensure invoices were appropriately accrued at the year end.

Based on our work, we noted no significant issues on the accuracy of revenue recognition, project costs relating to research and development expenses accruals and prepayments recorded for the year.

Our application of materiality

Group Materiality: £210,000 (2018: £48,000).

Parent Company materiality: £190,000 (2018: £48,000).

Our group materiality was based upon 3% of the loss before tax for the year (2018: 1% of expenditure for the year). We consider losses before tax to be one of the principal considerations for members of the company in assessing the financial performance of the group.

The audit of Scancell Limited was performed to a materiality calculated on the same basis as that of the group, while materiality for Scancell Holdings plc, as the holding company, was total asset based using a basis of 1% which was capped at 90% of group materiality.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed.

Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Performance materiality was set at 65% of the above materiality levels. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors.

Where financial information from the two components was audited separately, component materiality levels were set for this purpose at a lower level of £190,000.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £8,000 (2018: £1,000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach is risk based. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.
The group comprises Scancell Holdings plc and Scancell Limited (both based in UK) and full scope audits were undertaken by BDO LLP.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Oliver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
UK
Date 19 August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Scancell Holdings plc

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2019

	Notes	2019 £	2018 £
Development expenses		(4,151,950)	(2,855,264)
Administrative expenses		(2,577,062)	(2,086,536)
OPERATING LOSS	3	(6,729,012)	(4,941,800)
Interest receivable and similar income		15,002	2,753
LOSS BEFORE TAXATION		(6,714,010)	(4,939,047)
Taxation	5	1,086,523	744,538
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		(5,627,487)	(4,194,509)
LOSS PER ORDINARY SHARE (pence)	4		
Continuing			
Basic		(1.45p)	(1.34p)
Diluted		(1.45p)	(1.34p)

The notes on pages 26 to 44 form part of these financial statements

Scancell Holdings plc (Company Number: 06564638)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2019

		2019 £	2018 £
ASSETS			
Non-current assets			
Plant and machinery	8	58,514	76,910
Goodwill	9	3,415,120	3,415,120
		3,473,634	3,492,030
Current assets			
Trade and other receivables	10	677,614	97,304
Taxation receivable	5	1,831,061	744,538
Cash and cash equivalents		4,559,949	10,303,168
		7,068,624	11,145,010
TOTAL ASSETS		10,542,258	14,637,040
LIABILITIES			
Current Liabilities			
Trade and other payables	11	(1,205,410)	(696,090)
TOTAL LIABILITIES		(1,205,410)	(696,090)
NET ASSETS		9,336,848	13,940,950
SHAREHOLDERS' EQUITY			
Called up share capital	12	387,797	374,469
Share premium		34,638,688	33,374,624
Share option reserve		381,562	635,569
Profit and loss account		(26,071,199)	(20,443,712)
TOTAL SHAREHOLDERS' EQUITY		9,336,848	13,940,950

These financial statements were approved by the Directors and authorised for issue on 19 August 2019 and are signed on their behalf by:

John Chiplin
Director

The notes on pages 26 to 44 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2019

	Share Capital	Share Premium	Share Option	Retained Earnings	Total
	£	£	£	£	£
Balance 1st May 2017	261,558	21,785,295	701,675	(16,249,203)	6,499,325
Share issue	112,911	12,426,409			12,539,320
Expenses of issue		(837,080)			(837,080)
Loss for the year and other comprehensive income				(4,194,509)	(4,194,509)
Share option credit			(66,106)		(66,106)
Balance 30 April 2018	374,469	33,374,624	635,569	(20,443,712)	13,940,950
Share issue	10,143	1,206,998			1,217,141
Expenses of issue		(83,057)			(83,057)
Exercise of share options	3,185	140,123			143,308
Loss for the year and other comprehensive income				(5,627,487)	(5,627,487)
Share option credit			(254,007)		(254,007)
Balance 30 April 2019	387,797	34,638,688	381,562	(26,071,199)	9,336,848

The notes on pages 26 to 44 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss) before tax	(6,714,010)	(4,939,047)
Adjustments for:		
Finance income	(15,002)	(2,753)
Depreciation	21,060	27,612
Share-based payment credit	(254,007)	(66,106)
Cash flows from operations before changes in working capital	**(6,961,959)**	**(4,980,294)**
(increase)/Decrease in amounts receivable	(580,307)	4,499
Increase in amounts payable	509,317	164,211
Cash used in operations	**(7,032,949)**	**(4,811,584)**
Tax credits received	-	748,837
Net cash used in operating activities	**(7,032,949)**	**(4,062,747)**
Investing activities		
Purchase of tangible fixed assets	(2,664)	(11,413)
Finance income	15,002	2,753
Net cash generated from investing activities	**12,338**	**(8,660)**
Financing activities		
Proceeds from issue of share capital	1,217,141	12,539,320
Expenses of share issue	(83,057)	(837,080)
Exercise of share options	143,308	-
Net cash generated from financing activities	**1,277,392**	**11,702,240**
Net (decrease)/increase in cash and cash equivalents	**(5,743,219)**	**7,630,833**
Cash and cash equivalents at beginning of the year	**10,303,168**	**2,672,335**
Cash and cash equivalents at end of the year	**4,559,949**	**10,303,168**

The notes on pages 26 to 44 form part of these financial statements

1 ACCOUNTING POLICIES

Statutory Information

Scancell Holdings plc is a public company, limited by shares, registered and domiciled and incorporated in England and Wales. The address of its registered trading office is John Eccles House, Robert Robinson Avenue, Oxford Science Park, Oxford, OX4 4GP.

Basis of Preparation

These financial statements were approved by the Board of Directors on 19 August 2019

The financial statements have been prepared on the going concern basis on the grounds that the Directors have reviewed the funding available and the Group's cash flow forecast and are content that, following the issue of shares since the year end which raised £3.9m net proceeds, sufficient resources are available to enable the Group to continue in operation for at least twelve months from the date of approval of these financial statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of IFRS 9 and IFRS 15.

The financial statements are presented in sterling which is the functional currency of the Company rounded up to the nearest pound.

As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The retained profit of the parent Company is shown in the statement of changes in equity.

New standards and interpretation
At the date of authorisation of these financial statements a number of new Standards and Interpretations have been issued but are not yet effective and have not been applied in these financial statements.

The Directors do not believe that the adoption of these Standards and Interpretations would have a material impact on the financial statements of the Group. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

IFRS 9
The Group adopted IFRS 9 Financial Instruments, which addresses the classification, measurement and derecognition of financial assets and financial liabilities, on 1 May 2018, considering the cumulative impact at this date in assessing whether an adjustment to opening reserves is required. This standard also had no financial impact on either the current or the comparative periods.

IFRS 15
IFRS 15 Revenue from Contracts with Customers has replaced IAS 18, effective for accounting periods beginning on or after 1 January 2018.

Under the terms of a Clinical Development Partnership, Cancer Research UK will fund and sponsor a UK-based Phase 1/2 clinical trial of SCIB2 in patients with solid tumours, focusing on non-small cell lung cancer (NSCLC) in the first instance. The charity's Centre for Drug Development (CDD) will be responsible for manufacturing the clinical trial supplies of SCIB2, conducting pre-clinical testing, sponsoring and managing the clinical trial, including the clinical trial timelines.

Following completion of the Phase 1/2 clinical trial, Scancell will have the option to purchase the rights to the data to support further development of SCIB2 itself. Cancer Research UK will then be entitled to customary clinical development and commercial royalties on future product sales.

If Scancell elects not to exercise the option, Cancer Research UK will retain the right to take the SCIB2 programme forward in all indications. Under this agreement Scancell will be entitled to a portion of future net revenues regarding the commercial exploitation of the vaccine.

The recognition policy for future revenues, which may arise from this agreement, will be considered under IFRS 15, when they arise.

New standards and interpretations not applied

IFRS 16
There is one major new IFRS issued by the IASB which is mandatory for effective periods beginning on or after 1 January 2019. Under the provisions of IFRS 16 most leases, including the majority of those previously classified as operating leases, will be brought onto the statement of financial position, as both a right-of-use asset and a largely offsetting lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being depreciated and the liability increased for the accretion of interest and reduced by lease payments.

The current operating leases disclosed in note 17 are expected to be capitalised upon implementation of IFRS 16. At the transition date there will be right to use assets and a corresponding liability of less than £90k. This amount will be the lease commitment discounted to present value.

BUSINESS COMBINATIONS
The financial statements consolidate the results the financial statements of the Company and its subsidiary, Scancell Limited. Unrealised gains on transactions between the Company and its subsidiary are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the consolidated profit or loss and other comprehensive income statement.

Subsidiary:
Scancell Limited is controlled by Scancell Holdings plc. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the consolidated profit or loss and other comprehensive income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair

value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets. The group only has goodwill as an intangible asset. Goodwill has an indefinite useful life thus the company is required to test for impairment on intangible assets with indefinite useful lives. For all tangible assets, the group on an annual basis determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the consolidated profit or loss and other comprehensive income statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount less costs to sell.

EXPENDITURE

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category of expenditure.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

TAXATION

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

Deferred tax is provided on temporary differences arising in the subsidiary Company except where the timing of reversal of the temporary differences will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to apply in the period in which the asset is realised or liability settled, based on tax rates and laws that have been enacted substantively by the balance sheet date. Measurement of deferred tax liabilities and assets reflects the tax consequences expected to fall from the manner in which the asset or liability is recovered or settled.

INVESTMENTS
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

Investments are presented in Scancell Holdings Plc company figures, not in the consolidated financial statements.

RESEARCH AND DEVELOPMENT
Expenditure on research and development is written off in the year in which it is incurred.

An internally generated asset arising from the Group's development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially in order to complete the development.

In the case of development projects undertaken by the Group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

HIRE PURCHASE AND LEASING COMMITMENTS
Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. IFRS 16 will impact this in future years.

FOREIGN CURRENCIES
Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH AND CASH EQUIVALENTS
Cash includes cash-in-hand and deposits held at call with banks.

CREDITORS
Creditors are recognised when the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to be settled can be reliably measured or estimated.

INTER-COMPANY LOAN
The inter-company loan from Scancell Holdings plc to its subsidiary, Scancell Limited, is recorded at cost, is interest free and has no repayment terms. This loan is eliminated in preparing the consolidated financial statements.

EQUITY
Equity comprises the following:
- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the consolidated profit or loss and other comprehensive income statement.
- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group has no revenues and its financial assets, measured at amortised cost comprise other receivables, other financial assets and cash and cash equivalents in the consolidated statement of financial position. Other financial assets comprise short-term deposits not meeting the IAS7 definition of cash equivalent. Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial liabilities

All financial liabilities are measured initially at fair value and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities include trade and other payables.

SHARE BASED PAYMENTS

In accordance with IFRS2 – 'Share based payments', a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.

Under IFRS 2 the charge in the Profit or Loss and Other Comprehensive Income Statement for granted share options is based upon the fair value of the options at grant date and is charged over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets. The share options have been granted to Directors and employees in the subsidiary Company, Scancell Limited. Within Scancell Holdings plc, the parent Company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the investment value of the subsidiary Company.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as an expense when the services have been rendered by the employee, any costs not paid to the employee after year end are recognised as a liability. The cost of any unused holiday entitlement is accrued at the balance sheet date, if the employee has unused holiday entitlement.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Key sources of estimation and uncertainty

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Parent company loan valuation

Judgement is required by the Directors to assess the carrying value of the Company's loan to their subsidiary.

Under IFRS9, the Board used a risk adjusted NPV model to considering the whether an impairment is required for the intercompany loan.

Concerning the carrying value of the intercompany loan, the Board have firstly obtained an external valuation of the discounted cash flows of a number of drugs currently in development, using a risk adjusted NPV model. This model used external data analysis to assess key inputs to the model including; peak revenue projections and the assumptions to arrive at these figures; likelihood of success; anticipated royalties; associated research and development expenditure; the market penetration assumptions amongst other assumptions. This model was subject to significant assumptions, which the Board have reviewed and consider appropriate. Under IFRS9, the Board have then used the lifetime expected credit loss model to assess a range of scenarios regarding the subsidiaries ability to repay the intercompany loan. These assumptions included assessing the revised risk adjusted NPV if royalties received fell, if revenue fell, if costs increased and if the likelihood of success fell. The Board concluded that the risk adjusted NPV valuation provided the most likely scenario and amongst other outcomes assessed a complete risk of failure as remote. Under the expected credit loss model, the Board concluded that no impairment charge is required. Annually this model is assessed for impairment indicators.

Share-based payments
In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the Directors are required to exercise their judgement in determining input parameters. which may have a material effect on the fair value calculated. Judgement is also required in determining the fair value of share options with a hurdle price embedded into them.

These judgements may have a material effect on the fair value calculated.

Agreement accounting
The group have entered into many different supplier contracts regarding research and development. These agreements often contain up-front payments and milestone payments. The agreements span a wide period and therefore management and the board must continuously monitor the ongoing status of research and development projects performed by suppliers to ensure that the correct costs are reflected accurately in the financial statements. Often the stage of progress of a project is difficult to determine and therefore relies upon key judgement.

The majority of research and development expenditure is formed as a result of entering into a contract. The areas of the financial statements impacted by the agreements include prepayments, accruals, commitments disclosures, research and development expenditure and the research and development tax claim. A further fundraising will be required by December 2020, in order to further progress the Group's development activities.

2 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments. The Directors consider that the Group operated within a single business segment.

3 OPERATING LOSS

	2019	2018
	£	£
Operating Loss is stated after charging:		
Depreciation on tangible fixed assets	21,060	27,612
Operating lease rentals	95,964	66,257
Research and development	4,151,950	2,855,264
Auditors' remuneration – fee payable for audit of the company	16,000	8,250
Auditors' remuneration – fee payable for audit of the subsidiary company	16,000	11,000
Auditors' remuneration for non-audit services	-	1,500
Directors' remuneration	631,042	680,204

4. LOSS PER SHARE

Loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2019 £	2018 £
Loss used in calculation of basic earnings per share	(5,627,487)	(4,194,509)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of loss per share	386,965,910	312,726,405

Diluted loss per share

As the Group is reporting a loss from continuing operations for both years then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

The Company issued 10,142,838 shares on 9 May 2018 and Ichor exercised 3,184,620 shares on 17 July 2018. At the year end the issued share capital amounted to 387,796,556 ordinary shares.

5 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

Current tax	2019 £	2018 £
UK corporation tax credits due on R&D expenditure	1,082,575	744,538
Adjustment to prior year	3,948	-
	1,086,523	744,538

Factors affecting the tax credit

The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(6,714,010)	(4,939,047)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19 %)	(1,275,662)	(938,419)
Effects of:		
Disallowed expenditure	7,668	(12,276)
Other differences	(5,447)	2,462
Enhanced tax relief on R&D expenditure	(801,788)	(550,403)
Reduced tax relief for losses surrendered for R&D tax credits	335,972	232,289
Prior year (under)/ over provision	(3,948)	-
Unrelieved losses carried forward	656,682	521,809
Current tax (credit)	(1,086,523)	(744,538)

The Group has tax losses to carry forward against future profits of approximately £18,960,000 (2018: £15,504,000).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.
The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £3,202,000 (2018: £2,625,000).

Taxation receivable is £1,831,061 (2018: £744,538).

6 STAFF COSTS

	2019	2018
	£	£
Directors' salaries	631,042	611,099
Wages and salaries	829,149	654,170
Social security costs	168,813	118,357
Pension costs	19,257	5,471
	1,648,261	1,389,097

A credit for share based payments totalling £254,007 (2018: £66,106 credit) was made in the year. This has arisen as a result of the lapsing of share options during the year.

	2019	2018
	No.	No.
The average monthly number of persons during the year was:		
Research employees	19	11
Other employees	3	3
	22	14

7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are deemed to be the directors of the company.

Professor L Durrant received salary of £136,250 (2018: £20,000); Dr RM Goodfellow received salary of £20,000 (2018: £269,167); Dr C Holloway received a salary of £250,000 (2018: £75,181) Dr S E Adams received a salary of £193,125 (2018: £191,251); Dr M Frohn received a salary of £25,000 (2018: £25,000) and Miss K Cornish-Bowden received a salary of £6,667 (2018 £30,500). Details of consulting services provided by these directors are disclosed in note 15. During the year pension contributions totalling £3,862 were made on behalf of Dr S E Adams. Dr A Lewis was not remunerated in the current or preceding year.

8 TANGIBLE FIXED ASSETS

current year	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2018	41,786	515,919	557,705
Additions	2,166	498	2,664
As at 30 April 2019	43,952	516,417	560,369
DEPRECIATION			
As at 1 May 2018	29,374	451,421	480,795
Charge for the year	4,811	16,249	21,060
As at 30 April 2019	34,185	467,670	501,855
NET BOOK VALUE			
At 30 April 2019	9,767	48,747	58,514
At 1 May 2018	12,412	64,498	76,910

prior year	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2017	32,968	513,324	546,292
Additions	8,818	2,595	11,413
As at 30 April 2018	41,786	515,919	557,705
DEPRECIATION			
As at 1 May 2017	23,262	429,921	453,183
Charge for the year	6,112	21,500	27,612
As at 30 April 2018	29,374	451,421	480,795
NET BOOK VALUE			
At 30 April 2018	12,412	64,498	76,910
At 1 May 2018	9,706	83,403	93,109

9 GOODWILL

	£
Cost at 1 May 2017 and 2018	3,415,120
Additions	-
Carrying value as at 30 April 2018 and 2019	3,415,120

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the Directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary Company, Scancell Limited. The Directors have carried out an impairment review of the goodwill arising on the acquisition of Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the Directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of goodwill and believe that no impairment is necessary.

10 TRADE AND OTHER RECEIVABLES

	2019	2018
	£	£
VAT receivable	191,173	49,133
Prepayments	486,441	48,171
	677,614	97,304

11 TRADE AND OTHER PAYABLES

	2019	2018
	£	£
Trade payables	716,541	356,319
Taxation and social security	57,835	42,729
Accruals	431,034	297,042
	1,205,410	696,090

12 SHARE CAPITAL

	2019	2018
	No.	No.
Allotted, issued and fully paid		
0.1p ordinary shares		
At 1st May 2017	374,469,098	261,558,099
Shares issued during the year:		
11 May 2017 – placing of shares		50,499,999
18 April 2018 – placing of shares		62,411,000
9 May 2018 – open offer to shareholders	10,142,838	
17 July 2018 - exercise of share options	3,184,620	
Number of shares in issue at 30 April	**387,796,556**	**374,469,098**
	£	£
Allotted, issued and fully paid		
0.1p ordinary shares	387,797	374,469

On 9 May 2018, the Company issued 10,142,838 ordinary shares at 12p each and raised £1,217,141. In July 2018, Ichor Medical Systems Inc. exercised their options to 3,184,620 ordinary shares at a price of 4.5p raising a further £143,308. Since the year end, on 13 June 2019, Vulpes Life Science Fund subscribed for 77,559,311 ordinary shares at 5p each and raised £3,877,965.

All shares rank pari *passu* with voting rights and entitlement to dividend.

13 SHARE OPTIONS

Scancell Holdings plc, has granted options to members of staff as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
EMI	02.12.08	5.0p	260,000	02.12.11	02.12.19
	02.01.09	6.0p	105,000	02.01.12	01.01.20
	13.07.10	4.5p	6,730,000	02.12.11	14.07.20
	05.09.14	33.0p	80,000	02.09.17	02.09.24
	31.01.18	10.5p	5,829,064	31.01.18	31.01.28

The market price of the shares at 30 April 2019 was 5.1p and, the range during the year was 5.1p to 14.65p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares have been issued as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
Unapproved	29.06.10	4.5p	3,184,630	28.02.13	23.04.21
	10.12.13	33.2p	3,500,000	11.12.14	11.12.26
	18.04.16	17.0p	3,000,000	18.04.17	18.04.26
	31.01.18	10.5p	9,621,950	31.01.18	31.01.28

At 30 April 2019 the following options are held by Directors of the Company:

	Options At 30.04.18	Additions in the year	Cancelled or lapsed in the year	Options at 30.04.19	Exercise price	Date first exercisable	Expiry date
EMI Scheme							
L Durrant	3,850,000			3,850,000	4.5p	02.12.11	14.07.20
R Goodfellow	2,880,000			2,880,000	4.5p	02.12.11	14.07.20
S Adams	2,439,024			2,439,024	10.5p	31.01.18	31.01.28
C Holloway	2,439,024			2,439,024	10.5p	31.01.19	31.01.28
Unapproved							
L Durrant	9,000,000			9,000,000	10.5p	31.01.18	31.01.28
R Goodfellow	3,500,000			3,500,000	33.2p	10.12.14	31.12.23
J Chiplin	3,000,000			3,000,000	17.0p	18.04.17	18.04.26
S Adams	60.975			60,975	10.5p	31.01.18	31.01.28
C Holloway	560,975			560,975	10.5p	31.01.19	31.01.28

The weighted average exercise prices over the year were as follows:

	Number	Exercise Price
Enterprise Management Scheme		
Revised number of options outstanding at 1 May 2018	13,084,516	7.51p
Additions in the year	-	-
Cancellations/lapsed in the year	(80,452)	27.28p
Number of options outstanding at 30 April 2019	13,004,064	7.39p
Number of EMI options exercisable at 30 April 2019	7,175,000	4.86p

SHARE OPTIONS (continued)

Unapproved Scheme		
Revised number of options outstanding at 1 May 2018	25,619,160	12.32p
Exercised	(3,184,620)	4.50p
Lapsed	(3,127,960)	5.97p
Number of options outstanding at 30 April 2019	19,306,580	14.64p
Number of unapproved options exercisable at 30 April 2019	-	-

Within the unapproved options are those granted to Ichor Medical Systems Inc. ("Ichor") pursuant to the License and Supply Agreement ('the Agreement') dated 13 July 2009. Under the terms of the Agreement, Ichor agreed to supply its TriGrid™ electroporation device for Scancell's pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, Ichor was granted options to subscribe for ordinary shares in the Company. The options have been granted at 4.5p per share and vest as follows.

3,184,630 on completion of first Phase II clinical trial

Each tranche of the options may be exercised at any time in the five year period after the relevant vesting date.

All share options are equity settled. All options are subject to time vesting schedules (normally three years) to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering and share price targets.

14 SHARE BASED PAYMENTS

The Group operates a number of share based incentive schemes as detailed in note 16 above. The fair value of the awards granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
2 December 2008	EMI	260,000	5.0p	5.8p	3.3p
2 January 2009	EMI	105,000	6.0p	5.8p	3.3p
29 June 2010	Unapproved	3,184,630	4.5p	6.0p	2.2p
14 July 2010	EMI	6,730,000	4.5p	6.25p	2.1p
10 December 2013	Unapproved	3,500,000	33.2p	36.0p	4.0p
5 September 2014	EMI	80,000	33.0p	33.75p	6.0p
18 April 2016	Unapproved	3,000,000	17.0p	17.0p	3.0p
31 January 2018	EMI	5,829,064	10.5p	10.25p	1.0p
31 January 2018	Unapproved	9,621,950	10.5p	10.25p	1.0p

The number of shares shown above has been adjusted for the sub-division of shares that occurred in July 2011.

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used where appropriate.
2. The expected volatility is based upon historical volatility over a period of time. It was not applicable for 2019 (2018: 10.2%)
3. The expected life used in the model varies between two and five years and is based upon management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk-free rate is based upon the prevailing UK bank base rate at grant date.
5. Expected dividend yield is nil.

15 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the Group as follows:

	2019 Total	2018 Total
Professor L Durrant	£38,750	£155,000
Dr R.M Goodfellow	£125,833	£51,667
Dr J Chiplin	£50,000	£225,000
Dr A Lewis	£25,833	£20,000

At the end of the year the following balances were outstanding:

	2019	2018
Professor L Durrant	£nil	£15,790
Dr Richard Goodfellow	£5,752	£13,206

All of the above transactions were conducted under normal commercial terms.

Professor L Durrant, and Dr J Chiplin provided their consultancy through limited companies.

16 FINANCIAL INSTRUMENTS

The Group currently finances its operations through reserves of cash and liquid resources and does not have a borrowing requirement. Surplus cash at bank is placed on deposits at variable rates. The Board monitors the financial markets and the Group's own requirements to ensure that the policies are exercised in the Group's best interests.

Liquidity risk
Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Market risk
Market risk is the risk that changes in market prices, such as interest rates and exchange rates will affect the Group and Company's income or the value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The Group has no cash assets other than sterling current account balances of £4,559,949 (2018: £10,303,168) which are instantly available funds attracting variable rates of interest.

Historically the Group has not used derivative instruments to hedge against possible risks arising from fluctuations in foreign currency exchange rates as the exposure is limited. If foreign currency exposure increases, the use of foreign currency hedging instruments will be reviewed as a means of reducing the effect of exchange rate fluctuations on the Group's results.

Credit risk
Credit risk is the risk of financial loss to the Group and Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from a Company's receivables from Customers. The Group and Company have no third-party customers and so this risk is viewed as minimal.

Maturity of financial liabilities
All of the Group's financial liabilities as at 30 April 2019 are payable within twelve months.

Fair values
All of the Group's financial assets and liabilities are initially recognised at transaction value. There is no material difference between the book value and the fair value of the Group's financial assets or liabilities.

The Group's financial instruments comprise cash and cash equivalents and items such as trade and other payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

Group

	2019	2018
	£	£
Cash assets		
Cash and cash equivalents	4,559,949	10,303,168
Financial liabilities		
Trade and other payables	(1,147,576)	(653,361)

17 OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
Land and buildings	£	£
Within one year	71,987	79,553
Between one and five years	23,330	70,321
Later than five years	-	-
	95,317	149,874

18 SUBSEQUENT EVENTS

On 13 June 2019 Vulpes Life Sciences Fund subscribed for 77,559,311 ordinary shares at 5p each which raised £3,877,965. This new investment capital increases funds available to advance the Company's product pipeline and, in particular the transition of our lead Moditope® platform asset Modi-1 into the clinic.

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2019

		2019	2018
ASSETS		£	£
Non-current assets			
Investments	A	4,943,390	5,197,397
		4,943,390	5,197,397
Current assets			
Trade and other receivables	B	26,964,170	27,076,633
Cash and cash equivalents		1,891,424	642,503
		28,855,594	27,719,136
TOTAL ASSETS		33,798,984	32,916,533
LIABILITIES			
Current Liabilities			
Trade and other payables	C	(161,566)	(218,677)
TOTAL LIABILITIES		(161,566)	(218,677)
NET ASSETS		33,637,418	32,697,856
SHAREHOLDERS' EQUITY			
Called up share capital	14	387,797	374,469
Share premium		34,638,688	33,374,624
Share option reserve		381,562	635,569
Profit and loss account		(1,770,629)	(1,686,806)
TOTAL SHAREHOLDERS' EQUITY		33,637,418	32,697,856

The Company's loss and other comprehensive income for the financial year was £83,823 (2017: loss £68,906).

These financial statements were approved by the Directors on 19 August 2019 and are authorised for issue and are signed on their behalf by:

John Chiplin
Director

Scancell Holdings plc

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2019

	Share Capital	Share Premium	Share Option	Retained Earnings	Total
	£	£	£	£	£
Balance 30 April 2017	261,558	21,785,295	701,675	(1,617,900)	21,130,628
Share issue	112,911	12,426,409			12,539,320
Expenses of issue		(837,080)			(837,080)
Loss for the year				(68,906)	(68,906)
Share option credit			(66,106)		(66,106)
Balance 30 April 2018	374,469	33,374,624	635,569	(1,686,806)	32,697,856
Share issue	10,143	1,206,998			1,217,141
Expenses of issue		(83,057)			(83,057)
Exercise of share options	3,185	140,123			143,308
Loss for the year				(83,823)	(83,823)
Share option credit			(254,007)		(254,007)
Balance 30 April 2019	387,797	34,638,688	381,562	(1,770,629)	33,637,418

Scancell Holdings plc

COMPANY CASHFLOW STATEMENT

for the year ended 30 April 2019

	2019 £	2018 £
Operating activities		
Loss before tax for the year	(83,823)	(68,905)
Cash used in operations before changes in working capital	(83,823)	(68,905)
(Increase)/Decrease in amounts receivable	112,463	(11,683,210)
(Decrease)/Increase in amounts payable	(57,111)	81,173
Cash used in operations	**(28,471)**	**(11,670,942)**
Income taxes received	-	-
Net cash used in operating activities	**(28,471)**	**(11,670,942)**
Financing activities		
Proceeds from issue of share capital	1,217,141	12,539,320
Expenses of share issue	(83,057)	(837,080)
Exercise of share options	143,308	-
Net cash generated from financing activities	**1,277,392**	**11,702,240**
Net increase in cash and cash equivalents	**1,248,921**	**31,298**
Cash and cash equivalents at beginning of the year	**642,503**	**611,205**
Cash and cash equivalents at end of the year	**1,891,424**	**642,503**

A FIXED ASSET INVESTMENTS

COMPANY - shares in Group undertaking	£
Cost at 1 May 2017	5,263,503
Share options exercised	-
Share options granted/cancelled	(66,106)
Cost at 30 April 2018	5,197,397
Share options exercised	-
Share options granted/cancelled	(254,007)
Cost at 30 April 2019	4,943,390

The Company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary Company, Scancell Limited, registered in the UK whose business is the discovery and development of treatments for cancer. There are no significant restrictions within the Group regarding access or use of assets or settling liabilities.

At 30 April 2019 the aggregate capital and reserves of Scancell Limited was £(22,771,170) (2018: £(16,973,498) and its loss for the financial year was £5,543,665 (2018:Loss of £4,125,603)

B TRADE AND OTHER RECEIVABLES

Company	2019 £	2018 £
Amount owed by Group undertakings	26,924,887	27,038,297
VAT receivable	12,643	10,393
Prepayments	26,640	27,943
	26,964,170	27,076,633

The amounts owed by Group undertakings are interest free with no set repayment term.

C TRADE AND OTHER PAYABLES

Trade creditors	23,066	39,357
Accruals	138,500	179,320
	161,566	218,677

D RELATED PARTIES

The Company has a loan with its parent company, Scancell Holdings plc. At the year end the amount owing to Scancell Holdings plc amounted to £26,924,887 (2018: £27,038,297). The loan is interest free and there are no set repayment terms.

E FINANCIAL INSTRUMENTS

Financial assets		
Cash and cash equivalents	1,891,424	642,501
Trade and other receivables	28,855,252	27,076,633
Financial liabilities		
Trade and other payables	(161,567)	(218,677)

The carrying amounts are equal to the fair value therefore no impairment is required.

F SUBSEQUENT EVENTS

On 13 June 2019 Vulpes Life Sciences Fund subscribed for 77,559,311 ordinary shares at 5p each which raised £3,877,965. This new investment capital increases funds available to advance The Company's product pipeline and, in particular the transition of our lead Moditope® platform asset Modi-1 into the clinic.